

An excerpt from:

*Better Health & Social Care: How are Co-ops & Mutuals Boosting Innovation & Access Worldwide?*

An International survey of co-ops and mutuals at work in the health and social care sector (CMHSC14)

Volume 2: National Cases

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For the research framework, the analysis of the national cases, and other research components, including a description of the research team members, refer to Volume 1: Report.

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## HEALTH SYSTEM

Nicaragua began privatizing the health care system in the late 1990s and continued into 2000. Notwithstanding, health services are mainly provided by the public sector and financed by general taxes. The primary health provider is the Ministry of Health (MINSa), which officially covers about 70% of the population. The Nicaraguan Social Security Institute (INSS), which covers formal sector workers, finances the health care of about 10% of the population. Only a small percentage of the population receives private (for-profit or non-profit) health care services.<sup>1</sup>

The General Law of Cooperatives (Ley 499) adopted in 2004 specifically provides for cooperatives to be active in a number of sectors, including agriculture, consumer, housing, savings and credit, fisheries, utilities, and youth. However, it is not restrictive and allows for cooperatives to form in other sectors to provide services as defined by their members.

Nicaragua is estimated to have 4,500 cooperatives with 300,000 members.<sup>2</sup> Some are involved in health promotion and care, but are categorized by their primary area of activity, i.e., savings and credit, housing, and agriculture. However, like other countries in the region, many cooperatives provide multiple services and health care is often among them.

Mutuals are also providers of health care. To provide health insurance to their members, cooperatives have also become members of a health mutual. Cooperative organizations, including FENACOOOP and the National Union of Agricultural and Livestock Producers of Nicaragua (Unión Nacional de Agricultores y Ganaderos de Nicaragua, UNAG), are members of a mutual which provides complementary health care and covers health services. (See “Mutuals,” below.)

## HEALTH COOPERATIVES

Only two cooperatives were identified whose primary activities focus on health care.

**Cooperativa Salud para todos** was founded in 2010 in Estelí. It is a user-owned health cooperative which provides general medical care, runs an infirmary and specific clinics for gynaecological, dental, and psychological care, as well as offering preventive care seminars. Its focus is on children and women’s health. (See “Case Study,” below.)

**Cooperativa “Tiníniska” Centro de Salud Holística** is a user-owned cooperative providing holistic health care. It was founded in 2009 in Managua by a group of people seeking to improve their physical, emotional, mental, and spiritual health. It runs a medical, psychological, and naturopathic clinic, offering psychotherapy, acupuncture, and chiropractic treatments, and alternative therapies. Tiníniska offers yoga courses and is involved in health promotion with seminars and workshops. It also operates a natural products shop offering medicinal and beauty products, as well as organic foods.<sup>3</sup>

Population (in thousands): 5,992

Population median age (years): 22.74

Population under 15 (%): 33.37

Population over 60 (%): 6.59

Total expenditure on health as a % of Gross Domestic Product: 8.2

General government expenditure on health as a % of total government expenditure: 19.7

Private expenditure on health as a % of total expenditure: 45.7

### Health Cooperative Data

Number of cooperatives	2
Types of cooperative	Users
Users	16,800 (for Cooperativa Salud para todos only)
Services	General medical care, gynaecological, dental, and psychological care, alternative medicine, physiotherapy, health promotion
Source of revenues	Payment for services, member equity

### Case Study

In 2010 **Cooperativa Salud para todos** was founded with the assistance of a non-governmental organization, Familias Unidas. The NGO opened a health clinic in 2000 to provide health care and dispense medicine. It worked with beneficiaries to set up a user-

owned health cooperative which now provides general medical care, runs an infirmary and specific clinics for gynaecological, dental, and psychological care, as well as offering preventive care seminars. In 2012 more than 16,800 patients were treated, 5,075 prescriptions filled, 120 seminars on preventive care were held for 2,003 patients, and 13,248 laboratory exams were carried out.<sup>4</sup>

### SAVINGS & CREDIT COOPERATIVES

Savings and credit cooperatives facilitate access to health care by serving their members both as financial and as health services cooperatives. The purpose may be to offer better service or to make health services more readily accessible. For example:

- **Cooperativa de Ahorro y Servicios Médicos en Nicaragua, COMENICSA, R.L.**, was established by health professionals and is both a savings and credit cooperative and a medical service cooperative. It was founded in 2011 by 20 health professionals.<sup>5</sup>
- In 2013, the largest savings and credit cooperative in the country, **Cooperativa de Ahorro y Crédito, Caja Rural Nacional (CARUNA, R.L.)** partnered with COMENICSA to provide health service to CARUNA employees. CARUNA will provide free vouchers for both pre-employment and annual check-ups for its staff. CARUNA and its federation, FEDECARUNA, also signed an agreement with the largest insurance company in Nicaragua to offer member and users a wide range of life and non-life insurance products, including medical insurance.<sup>6</sup> The insurance is offered through branch offices, in order to benefit members with more accessible insurance products. FEDECARUNA has more 31,000 members and 33 cooperatives and operates 37 branches around the country. While initially it served only rural communities, it now serves both rural and urban areas. It provided loans to more than 100,000 people in 2012.<sup>7</sup>

### OTHER COOPERATIVES

Cooperatives in other sectors also provide and facilitate access to health care. One is the women's cooperative **Cooperativa María Luis Ortiz**, which runs a rural clinic providing basic medical care as well as a pharmacy. It has treated more than 36,000 patients, but also has many other activities. It undertakes housing and latrine construction, operates a seed bank, runs a literacy programme, and trains health workers.<sup>8</sup>

Ad hoc health care services are also provided by agricultural or rural cooperatives. For example, the National Federation of Agricultural and Agro industrial Producers (Federación Nacional de Cooperativas Agropecuarias y Agroindustriales R.L.,

FENACOOOP) provided health care services to 703 beneficiaries in 2001.<sup>9</sup> Rural-based cooperatives organize periodic delivery of women's health services, including gynaecological exams and cervical cancer screening. This is the case with the Union de Cooperativas Agropecuarias Augusto Cesar Sandino, also known as the Unión de Cooperativas Agropecuarias San Ramón (Union of Agricultural Cooperatives), where more than 1,085 women have undergone exams.<sup>10</sup> Other rural cooperatives have entered into agreements with local clinics to enable member families with limited financial resources to access medical care. For example, the 630-member agricultural marketing cooperative Unión de Cooperativas Tierra Nueva has partnered with the UNICA school of dentistry. With the support of local associations, UNICA established a dental clinic within the cooperative to serve members and the community.<sup>11</sup>

### SOCIAL COOPERATIVES

The government authority regulating cooperatives does not provide information on social care cooperatives. However, indications are that these exist at the local level. One cooperative established as a worker cooperative for persons with disabilities was identified, promoted by the Nicaraguan Association of Physically Disabled Persons (Asociación de Discapacitados Físico Motores de Nicaragua, Adifin) in Ciudad Sandino. Founded in 1993, this cooperative creates employment opportunities by providing carpentry services. Its members report that they are able to earn only a very small income, but the cooperative responds to their need to feel useful to society. The cooperative receives some support from Adifin and has received donations in the past, but is otherwise self-sustaining.<sup>12</sup>

### PHARMACY COOPERATIVES

There are no cooperative pharmacies, although some cooperatives are authorized to sell pharmaceuticals. In 2010, the Association of Nicaraguan Pharmacies (AFUN) sought the approval of the Ministry of Health to create a cooperative pharmacy (Cooperative of Independent Pharmacies) in order to import pharmaceuticals. The Ministry never considered the proposal, however.<sup>13</sup>

### MUTUALS

Mutuals are receiving increased attention in Nicaragua as a means to address gaps in the public health care system. Mutuals facilitate and provide medical services and access to pharmaceuticals at affordable prices. They also are involved in health education and promotion.

With the support of the European Union and a Belgian NGO, 11 community-based mutuals were formed through the project *Promoting the Creation of a Legal Framework for Mutual Initiatives in Nicaragua*. It concluded in 2011.<sup>14</sup> The initiative was supported by existing mutual organizations.

1. A rural-based mutual association, **Asociación Civil Mutua del Campo**. The first mutual, Mutua del Campo was established in 1995 by 444 coffee producers to address the reduction of public health services. It currently includes members of the agricultural workers association and trade union, Asociación de Trabajadores del Campo (ATC) as well as agricultural cooperative federation, Federación Nacional de Cooperativas (FENACOO), the Unión Nacional de Agricultores y Ganaderos (UNAG) as well as a rural foundation, Fundación para el Desarrollo Socio-Económico Rural (FUNDESER). In 2008 it reported more than 7,000 members and operated in several districts.<sup>15</sup>

2. An urban-based mutual association, **Asociación Mutua Urbana de Salud**, founded in 1977, includes members of the Confederation of Self-Employed Workers (Trabajadores por Cuenta Propia, CTCP) and the National Workers Front (Frente Nacional de los Trabajadores, FNT).

3. A national mutual organization, **Asociación de Nicaragua Mutualista (AMUN)**, was recently founded, bringing together cooperatives, trade unions, foundations, and others.

At the end of 2010, 5,200 families or an estimated 31,250 people were covered by mutuals.<sup>16</sup> The European Union project reported in 2011 that the 11 mutuals created during the project had 4,565 members and 6,009 beneficiaries. The project had also established a training centre. Another important result of the project was the adoption of the Framework Law on Mutuals in October 2009. This is the first law on mutuals in the Central American region.

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